

Proposition 36

MISSION STATEMENT

The Mission of Proposition 36 is to provide nonviolent drug offenders with proven and effective treatment strategies rather than incarceration through a collaborative effort of stakeholders.

DESCRIPTION OF MAJOR SERVICES

In November 2000, California passed Proposition 36, the Substance Abuse and Crime Prevention Act of 2000 (Act). The Act mandated that certain persons convicted of a nonviolent drug possession offense, and any parolee who is determined by the Parole Authority to have committed a nonviolent drug possession offense, or violated any other drug-related condition of parole, will be provided drug treatment and related services in lieu of incarceration. On February 6, 2001 the Board of Supervisors designated Human Services System as the county lead agency for implementation of the Act and established a local interest earning special revenue fund for funds received from the state for this program.

Proposition 36 was intended as a 5 year demonstration project for the period of July 1, 2001 through June 30, 2006. Revenue of \$2.77 million was allocated to the County for the period of January 1, 2001 through June 30, 2001 as start up funds. During the planning for implementation a decision was made that the anticipated annual allocation would not keep pace with expenditures. Therefore, the \$2.77 million was deposited in the Proposition 36 special revenue fund to finance treatment and probation costs that exceeded the annual allocation. A portion of the reserve has been used annually to finance costs that have exceeded the annual allocation. It is anticipated that the fund balance will be depleted at the proposed program end date of June 30, 2006.

This special revenue fund does not directly spend funds or provides services. This special revenue fund is used to account for disposition of the funds received from the state. Funds are transferred to the department of Alcohol and Drug Abuse Services and Probation which are the ones providing the treatment and overseeing the parolees.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Actual 2003-04	Final 2004-05
Total Appropriation	6,625,029	8,123,826	6,214,085	7,848,018
Departmental Revenue	5,867,386	5,852,721	5,787,236	6,003,762
Fund Balance		2,271,105		1,844,256

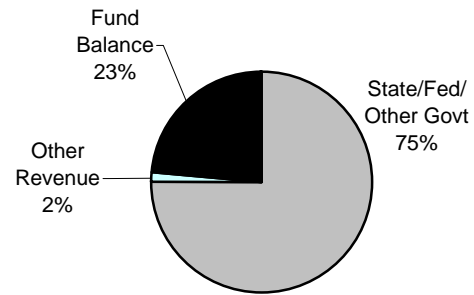
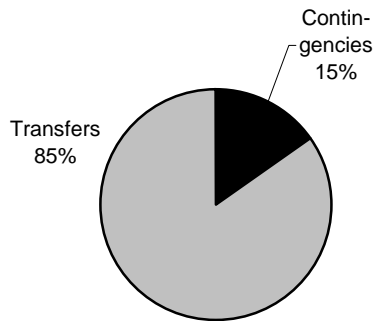
In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual expenditures in this fund are typically less than budgeted. The amount not expended is carried over to the subsequent year's budget.

Variances between actual and budget for 2003-04 existed in transfers primarily due to lower than anticipated alcohol and drug treatment costs as a result of a reduced residential capacity and a reduced length of stay in residential and outpatient treatment.

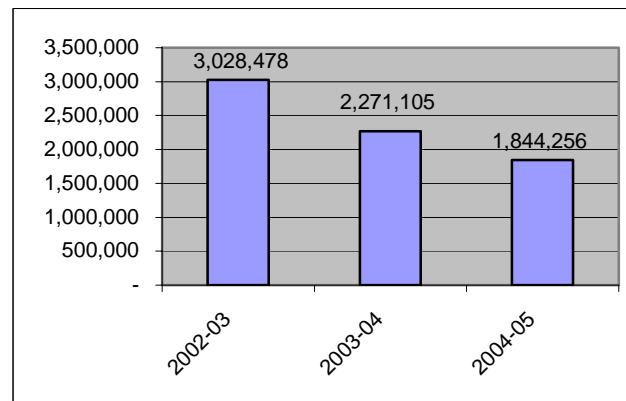


2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY

2004-05 BREAKDOWN BY FINANCING SOURCE



2004-05 FUND BALANCE TREND CHART



GROUP: Human Services System
 DEPARTMENT: Human Services System
 FUND: Proposition 36 - Substance Abuse and Prevention Program

BUDGET UNIT: RHD DPA
 FUNCTION: Public Assistance
 ACTIVITY: Administration

	2003-04 Actuals	2003-04 Approved Budget	2004-05 Board Approved Base Budget	2004-05 Board Approved Changes to Base Budget	2004-05 Final Budget
<u>Appropriation</u>					
Transfers	6,214,085	6,627,078	6,627,078	24,066	6,651,144
Contingencies	-	1,496,748	1,496,748	(299,874)	1,196,874
Total Appropriation	6,214,085	8,123,826	8,123,826	(275,808)	7,848,018
<u>Departmental Revenue</u>					
Use of Money and Prop	114,515	180,000	180,000	(55,000)	125,000
State, Fed or Gov't Aid	5,672,721	5,672,721	5,672,721	206,041	5,878,762
Total Revenue	5,787,236	5,852,721	5,852,721	151,041	6,003,762
Fund Balance		2,271,105	2,271,105	(426,849)	1,844,256



DEPARTMENT: Human Services System
 FUND: Proposition 36 - Substance Abuse and Prevention Program
 BUDGET UNIT: RHD DPA

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Fund Balance
2003-04 FINAL BUDGET	-	8,123,826	5,852,721	2,271,105
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	-	-	-
Subtotal	-	-	-	-
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BOARD APPROVED BASE BUDGET	-	8,123,826	5,852,721	2,271,105
Board Approved Changes to Base Budget	-	(275,808)	151,041	(426,849)
TOTAL 2004-05 FINAL BUDGET	-	7,848,018	6,003,762	1,844,256

SCHEDULE B

DEPARTMENT: Human Services System
 FUND: Proposition 36 - Substance Abuse and Prevention Program
 BUDGET UNIT: RHD DPA

BOARD APPROVED CHANGES TO BASE BUDGET

Brief Description of Board Approved Changes	Budgeted Staffing	Appropriation	Departmental Revenue	Fund Balance
1. Increase transfers. Increased transfers to HSS for fee collection and annual audit of the program.	-	24,066	-	24,066
2. Decrease contingencies to reflect use of fund balance Decreased contingencies to fund on-going expenses not covered by the state allocation. Furthermore, the program is scheduled to end in 2005-06, therefore, half of the fund balance will be used in 2004-05 and the other half in 2005-06.	-	(721,270)	-	(721,270)
** Final Budget Adjustment - Fund Balance Contingencies increased due to a higher than anticipated fund balance.	-	421,396	-	421,396
3. Reduce interest revenue . Interest revenue decreased due to a smaller daily balance on the account as a result of anticipated use of fund balance.	-	-	(55,000)	55,000
4. Increase State allocation due to formula change The preliminary state allocation of Prop 36 funds has increased by \$206,041 due to a change in the allocation methodology used by the state. Past allocations were based on a county's population, treatment caseload at a point in time and total number of drug arrests. The new methodology is based on a county's population, average daily treatment caseload and number of felony and misdemeanor arrest.	-	-	206,041	(206,041)
Total	-	(275,808)	151,041	(426,849)

** Final Budget Adjustment was approved by the Board after the proposed budget was submitted.

